

April 24, 2002

Donald L. Walter
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MUR # 5262

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
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Dear Federal Elections Commission General Counsel,

It has come to my attention through local press reports (for instance, see article enclosed from the Youngstown Vindicator), that the Timothy Ryan For Congress Committee has violated Federal Election Law by Mr. Ryan's obtaining a \$50,000 loan for his campaign with a single co-signer on that loan. I believe this loan, with a single co-signer guaranteeing it, is a clear violation of the federal campaign laws. By the way this the Congressional Race for the 17th District of Ohio.

Mr. Ryan's campaign manager, Julie Stitzel, apparently suggests the FEC approved this loan method. I don't believe this is possible since when my son, Randy Walter, ran for Congress in 2000, he was clearly advised by the FEC that such loans violated the \$1000 maximum contribution limit.

I would like a full investigation of this matter and believe all appropriate penalties and sanctions should be fully applied. All deliberate speed is asked because if these funds were obtained in violation of Federal law, they should not be able to be used during the balance of the campaign.

Thanks in advance for your quick attention to this matter.

Sincerely,



Donald L. Walter
President Don Walter Kitchens

Signed and sworn to before me in my presence this 24th day of April, 2002


Lisa M. Reardon — Notary Public



LISA M. REARDON, Notary Public
My Commission Expires
November 25, 2003

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17TH DISTRICT

Ryan's loan raises concern

*The congressional candidate
and his campaign treasurer
will not disclose the name of
the loan's co-signer.*

By DAVID SKOLNICK
VINDICATOR POLITICS WRITER

YOUNGSTOWN — A \$50,000 loan from state Sen. Timothy Ryan, and co-signed by a friend, to his congressional campaign committee would be investigated by the Federal Election Commission if someone files a complaint, a commission spokeswoman said.

Ryan, of Niles, said he obtained the money from Second National Bank in Canfield, but because he has no collateral, he needed someone to co-sign the loan.

Neither Ryan nor Julie Stitzel, his campaign treasurer, would say who co-signed the loan, except that it was one of Ryan's former basketball coaches.

Ryan and Stitzel said the co-signer's name does not have to appear on the campaign finance forms and the failure to disclose his identity on the reports is not an issue.

"I'm not an expert in federal elections laws, but I don't believe his name has to be on the form," Ryan said.

Stitzel said she contacted the election commission about the loan before Ryan obtained it and was told there would not be a problem with a co-signer.

But Kelly Huff, an elections commission spokeswoman, said the commission has specific rules about loans. Although she would not specifically say if this loan is questionable, she said if someone filed a complaint about it, the commission would investigate.

Federal election rules say the co-signer's name must appear on campaign financial disclosure forms and that the loan is the same as a campaign contribution.

"An endorsement or guarantee of a bank loan is considered a contribution by the endorser or guarantor and is thus subject to the law's prohibitions and limits on contributions," according to federal election rules.

Individuals are permitted to give only \$1,000 per election to a congressional campaign.

Requirements

Unless Ryan and his ex-coach have a written agreement as to who is responsible for what portion of the repayment of the loan, the elections commission considers them splitting the repayment responsibilities and, thus, each is contributing \$25,000 to the congressional campaign.

Ryan did not say if he has a written agreement with the loan's co-signer, and Stitzel said she did not know.

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if one existed.

Ryan could face a monetary penalty if he were found to have violated election rules.

"I have not received anything from the FEC since I submitted the report," Stitzel said. "I really don't have a reason to think anything is wrong."

But after Ryan was questioned by *The Vindicator* about the loan, Stitzel said she has contacted the FEC and is "working with them to make sure that the report is OK."

The report was not correct when Stitzel initially filed it April 14. Ryan's original campaign report called the \$50,000 a contribution from the candidate when it should have been categorized as a loan.

Federal election rules required Ryan to fill out a loan form that would disclose the name of the co-signer, what was used for collateral and the name of the bank.

Stitzel filed an amended report with the FEC, dated Sunday, that lists the loan, the bank and interest rate — 6.25 percent — but does not list the name of the co-signer.

Financial form

The \$50,000 represents 76 percent of the money Ryan raised for his campaign, according to his most recent campaign financial disclosure form.

"I don't want to do anything wrong, and right now, we're in total compliance," said Stitzel, who's serving as treasurer of a congressional campaign committee for the first time.

"I would assume if you write a story, then somebody's going to read it and file a complaint," Huff told a reporter.

"That's the only way we're going to know about it. When reports are filed the treasurer signs them as true and accurate. We pretty much take a person's word for it unless otherwise specified."

Ryan is among six candidates running in the May 7 Democratic primary for the 17th Congressional District seat.

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